

**DRINK FOR JUSTICE**

**REPORT OF THE AUDITOR  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2022**

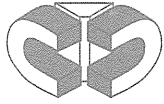
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## INDEPENDENT AUDITOR'S REPORT

### TO THE COMMITTEES OF DRINK FOR JUSTICE

(Registered Society in Hong Kong)

#### Opinion

We have audited the financial statements of DRINK FOR JUSTICE (the "Society") set out on pages 3 to 13, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in Fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 31 December 2022, and of its financial performance and its cash flows for the period from 1 January 2021 to 31 December 2022 in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

#### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of committees for the financial statements

The committees are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the committees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committees are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committees either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### **TO THE COMMITTEES OF DRINK FOR JUSTICE**

(Registered Society in Hong Kong)

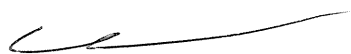
#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committees.
- Conclude on the appropriateness of the committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



CHENG & CHENG LIMITED  
Certified Public Accountants

Hong Kong, 5 April 2024

Yu Kwong Fat  
Practising Certificate number P04719

# DRINK FOR JUSTICE

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		2022 HK\$	2021 HK\$
<b>Non-current assets</b>			
Plant and equipment	3	<u>193</u>	<u>257</u>
<b>Current assets</b>			
Sundry debtors and receivables		22,000	22,000
Cash at bank and on hand		<u>224,250</u>	<u>209,560</u>
		246,250	231,560
<b>Current liabilities</b>			
Sundry creditors and payables		<u>6,000</u>	<u>6,000</u>
<b>Net current assets</b>		<u>240,250</u>	<u>225,560</u>
<b>Total assets less current liabilities</b>		<u>240,443</u>	<u>225,817</u>
<b>Fund</b>	4	<u>240,443</u>	<u>225,817</u>

Signed on behalf of the Board of Committees by:-

  
\_\_\_\_\_  
Cosmo BEATSON  
Committee

  
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Francesco VECCHIO  
Committee

The attached notes form an integral part of these financial statements.

# DRINK FOR JUSTICE

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	01/01/2022- 31/12/2022 HK\$	02/10/2018- 31/12/2021 HK\$
<b>Income</b>			
Donation income	5	2,237,547	1,245,384
<b>Add: Other revenue</b>			
Interest income		80	1
Sundry income		200	29,065
	6	<u>280</u>	<u>29,066</u>
		2,237,827	1,274,450
<b>Deduct: Operating costs</b>			
<i><u>Administrative expenses</u></i>			
Auditor's remuneration		6,000	6,000
Bank charges		1,300	862
Commission		-	5,500
Depreciation of owned assets		64	64
Hire of land and buildings under operating leases		132,000	55,000
Program cost		<u>2,083,837</u>	<u>981,207</u>
		<u>2,223,201</u>	<u>1,048,633</u>
<b>Surplus for the year/period before taxation</b>	7	14,626	225,817
Taxation	8	<u>-</u>	<u>-</u>
<b>Surplus for the period</b>		<u><u>14,626</u></u>	<u><u>225,817</u></u>

*There was no other comprehensive income or loss during the year/period.*

The attached notes form an integral part of these financial statements.

# DRINK FOR JUSTICE

## STATEMENT OF CHANGES IN FUND

*For the year ended 31 December 2022*

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	Retained surplus HK\$
<b>Balance at 2 October 2018</b>	-
Surplus for the period	<u>225,817</u>
<b>Balance at 31 December 2021 and 1 January 2022</b>	225,817
Surplus for the year	<u>14,626</u>
<b>Balance at 31 December 2022</b>	<u><u>240,443</u></u>

# DRINK FOR JUSTICE

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	01/01/2022- 31/12/2022 HK\$	02/10/2018- 31/12/2021 HK\$
<b>Operating activities</b>			
Surplus before taxation		14,626	225,817
Adjustments for:			
Depreciation of owned assets		64	64
Interest income		(80)	(1)
Operating profit before working capital changes		14,610	225,880
Increase in sundry debtors and receivables		-	(22,000)
Increase in sundry creditors and payables		-	6,000
Cash generated from operations		14,610	209,880
Interest received		80	1
<b>Net cash from operating activities</b>		14,690	209,881
<b>Net cash used in investing activities</b>	9	-	(321)
<b>Net cash from financing activities</b>		-	-
<b>Increase in cash and cash equivalents</b>		14,690	209,560
<b>Cash and cash equivalents at beginning of the year/period</b>		209,560	-
<b>Cash and cash equivalents at end of the year/period</b>	10	224,250	209,560

The attached notes form an integral part of these financial statements.

# DRINK FOR JUSTICE

## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 December 2022*

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### 1. CORPORATE INFORMATION

Drink For Justice ("Society") is a Registered Society and domiciled in Hong Kong. The address of its registered office and principal place of activities is Flat B, 2/F., Lee Fung Building, 315-319 Queen's Road Central, Sheung Wan, Hong Kong.

The principal activities of the Society are for relief of refugees and promotion of racial harmony for the benefit of the Hong Kong community.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong Dollars and all values are rounded to the nearest dollar unless otherwise stated.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Society's accounting policies.

#### (b) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Society's statement of financial position when the Society becomes a party to the contractual provisions of the instrument. The following financial instruments are classified according to the management's intention on acquisition:-

##### Receivables

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables.

##### Payables

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.



# DRINK FOR JUSTICE

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

*For the year ended 31 December 2022*

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Society adds to the carrying amount of an item of plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Society. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

- Furniture and equipment 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change.

#### (d) IMPAIRMENT OF ASSETS

##### Impairment of non-financial assets

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

# DRINK FOR JUSTICE

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

*For the year ended 31 December 2022*

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) INCOME TAX

The Society is a charitable institution and is exempted from all taxes under Section 88 of the Inland Revenue Ordinance (Cap. 112).

#### (g) INCOME RECOGNITION

Income is measured at the fair value of the consideration received or receivable.

Income is recognized in surplus or deficit provided it is probable that the economic benefits will flow to the Society and the revenue and costs, if applicable, can be measured reliably, as follows:

Donation income is recognized whenever it is received or receivable.

Any other income not mentioned above is recognized whenever it is received or receivable.

#### (h) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ("the functional currency"). The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the functional and presentation currency.

## DRINK FOR JUSTICE

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

*For the year ended 31 December 2022*

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (i) RELATED PARTIES

A related party is a person or entity that is related to the Society in these financial statements, as follows:-

- (i) A person or a close member of that person's family is related to the Society if that person:
  - (1) has control or joint control over the Society;
  - (2) has significant influence over the Society; or
  - (3) is a member of the key management personnel of the Society or the Society's parent.
  
- (ii) An entity is related to the Society if any of the following conditions applies:
  - (1) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (2) One entity is a society or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (3) Both entities are joint ventures of the same third party.
  - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society.
  - (6) The entity is controlled or jointly controlled by a person identified in 2(i)(i).
  - (7) A person identified in 2(i)(i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (8) The entity, or any member of the Society of which it is a part, provides key management personnel services to the Society or to the parent of the Society.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## DRINK FOR JUSTICE

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2022

#### 3. PLANT AND EQUIPMENT

	Furniture and equipment HK\$
<b>Cost</b>	
At 1 January 2022 and at 31 December 2022	<u>321</u>
<b>Deduct: Accumulated depreciation</b>	
At 1 January 2022	64
Charged for the year	<u>64</u>
At 31 December 2022	<u>128</u>
<b>Net book values</b>	
At 31 December 2022	<u><u>193</u></u>
At 31 December 2021	<u><u>257</u></u>

#### 4. FUND

Apart from retained surplus, there were no other fund. Details of movements in fund during the year/period are referred to in the statement of changes in fund.

#### 5. INCOME

The Society is principally engaged in relief of refugees and promotion of racial harmony for the benefit of the Hong Kong community.

Income recognized during the year:-

	01/01/2022- 31/12/2022 HK\$	02/10/2018- 31/12/2021 HK\$
Donation income	<u><u>2,237,547</u></u>	<u><u>1,245,384</u></u>

## DRINK FOR JUSTICE

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2022

#### 6. OTHER REVENUE

	01/01/2022- 31/12/2022 HK\$	02/10/2018- 31/12/2021 HK\$
Interest income from financial assets measured at amortized cost	80	1
Sundry income	200	29,065
	<u>280</u>	<u>29,066</u>

#### 7. SURPLUS BEFORE TAXATION

	01/01/2022- 31/12/2022 HK\$	02/10/2018- 31/12/2021 HK\$
Surplus before taxation is stated after charging:		
Auditor's remuneration	6,000	6,000
Depreciation of owned assets	64	64
	<u>64</u>	<u>64</u>

#### 8. TAXATION

The Society is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance (Cap. 112).

#### 9. INVESTING ACTIVITIES

	01/01/2022- 31/12/2022 HK\$	02/10/2018- 31/12/2021 HK\$
Net cash used in investing activities		
Purchase of plant and equipment	-	(321)
	<u>-</u>	<u>(321)</u>

#### 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following items in the statement of financial position:-

	2022 HK\$	2021 HK\$
Cash at bank and on hand	<u>224,250</u>	<u>209,560</u>

## DRINK FOR JUSTICE

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2022

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#### 11. COMMITMENTS UNDER OPERATING LEASES

##### AS LESSEES

At the end of the reporting period, the Society as a lessee had total future minimum lease payments payable under non-cancellable operating leases as set out below:-

	2022	2021
	HK\$	HK\$
Land and buildings		
- within 1 year	77,000	132,000
- in the 2nd to 5th years inclusive	-	77,000
	<u>77,000</u>	<u>209,000</u>

#### 12. COMPARATIVE FIGURES

Comparative figures for the financial statements in respect of the first set of account in prior period, covering a period of 39 months from 2 October 2018 to 31 December 2021 may not be comparable with that of the current period.

#### 13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Committees on 5 April 2024.